



The Congressional Connector

Week of March 23 – 27, 2009

House Approves Bill to Reclaim AIG Bonus Payments

On March 20, the House of Representatives approved legislation [H.R. 1586] to impose a 90 percent tax on the bonuses given to highly paid employees at AIG and other companies that have received federal financial assistance. The House approved the measure on a vote of 328 to 93. While the majority of the House voted for the measure, opponents of the bill warned that the House was moving the bill too quickly and that it was inappropriate to use the tax code to retroactively punish the employees at AIG that received the bonuses. Speaking in favor of H.R. 1586, Rep. Levin said, "Congress has taken extraordinary steps to stabilize financial markets over the last few months.... These AIG executives – who worked in the division that wrecked the havoc -- are taking home more money in one bonus payment than 99 percent of Americans take home in a year. The argument that these bonuses were necessary because they are the only ones that could undo the damage is fallacious." [For additional information, click here.](#)

Administration Announces Auto Supplier Support Program

On March 20, the Obama Administration announced the creation of the Auto Supplier Support Program to help stabilize the automotive supply base. The \$5 billion program will allow US-based suppliers determined to be critical to GM and Chrysler's operations to more easily obtain the funds they need to stay in business by guaranteeing their payments from the automakers. Following the announcement, Rep. Levin said, "The U.S. based supply industry is vital to the survival of the domestic auto industry, and as we have discussed with the Obama Auto team, action by the federal government was urgent. Today's action is a clear indication that the goal of the Obama Administration is the survival of a viable, restructured and future-oriented domestic auto industry." [To read the Treasury Department's summary of the Auto Supplier Support Program, click here.](#)

More information becomes available on COBRA premium reduction

As part of the Recovery Act passed in February, Congress included a 65% reduction in COBRA premiums for people who are involuntarily unemployed. COBRA coverage is health insurance that employers with 20 or more employees are required to provide to employees when they leave their jobs or are laid off. The 65% premium reduction is available for people who lose their jobs between September 1, 2008 and December 31, 2009. Each eligible person receives up to 9 months of premium reduction. The Department of Labor has created a website with up-to-date information on how to take advantage of the benefit: www.dol.gov/cobra. A list of answers to frequently asked questions is also available here:

<http://waysandmeans.house.gov/media/pdf/111/cobra.pdf>

Congress Expedites Bills to Expand Volunteer Programs

On March 18, the House voted 321 to 105 to adopt legislation [H.R. 1388, the GIVE Act] to increase the number of volunteers in service programs from 75,000 to 250,000. The Senate is debating the bill this week. Especially given the difficult economic conditions facing the country and the challenges facing American families and communities alike, the legislation recognizes that more must be done to energize community service. In many communities, public needs are growing while the resources to meet them are disappearing. Volunteers help fill the gap by teaching in classrooms; cleaning up trails and streams; rebuilding areas struck by disasters; and tutoring and mentoring children. The goal of the GIVE Act is to expand the number of volunteers nationwide, chiefly by strengthening existing community and national service programs, like AmeriCorps.